

NEWLUND MINES LIMITED

Sixteenth Annual Report



For the Year Ending September 30th, 1965

NEWLUND MINES LIMITED

Sixteenth Annual Report

For the fiscal year ended September 30th, 1965

Authorized Capital — 6,000,000 shares of \$1.00 Par Value

Issued Capital — 5,483,808 shares

Incorporated under the Laws of Ontario



OFFICERS

ERIC CRADOCK	- - - - -	President
J. P. DOLAN	- - - - -	Vice-President
P. C. FINLAY, Q.C.	- - - - -	Secretary-Treasurer
H. HUNTER	- - - - -	Assistant Secretary-Treasurer

DIRECTORS

ERIC CRADOCK	- - - - -	Toronto
J. P. DOLAN	- - - - -	Toronto
P. C. FINLAY, Q.C.	- - - - -	Toronto
A. W. JOHNSTON	- - - - -	Toronto
J. B. RYAN	- - - - -	Edmonton

TRANSFER AGENT AND REGISTRAR

EASTERN & CHARTERED TRUST COMPANY

1901 Yonge Street

Toronto, Ontario

SOLICITORS

HOLDEN, MURDOCH, WALTON, FINLAY,

ROBINSON, PEPALL & HARVEY

2402 Bank of Nova Scotia Building

Toronto, Ontario

AUDITORS

GUNN, ROBERTS and CO.

Toronto, Ontario

HEAD OFFICE

2402 Bank of Nova Scotia Building

Toronto, Ontario

NEWLUND MINES LIMITED

Directors' Report

To the Shareholders:

Your Directors submit herewith the Balance Sheet of your Company as at September 30th, 1965, duly certified by the Auditors of your Company, together with Statement of Exploration and Administrative Expenditures, Summary of Expenditures Deferred and Statement of Deficit for the year ending September 30th, 1965.

You will note from the Balance Sheet that the listed shares carried at a book value of \$337,926.00 had a quoted market value of \$655,000.00.

During 1965 three diamond drill holes totalling 996 feet were completed on a group of 40 mining claims in Dalet Township, Province of Quebec, in which your Company held a 25% interest. The results obtained were unsatisfactory, and these claims have now been dropped.

Following completion of a geophysical survey, which indicated two electromagnetic conductors, during the period March 30th to June 17th, 1965, four diamond drill holes totalling 2,075.5 feet were completed on the 40-claim group in Lozeau Township, Mattagami Lake Area, Province of Quebec, previously staked by your Company. Results obtained did not have any economic significance, and on the recommendation of your Company's Consulting Geologist, no further work has been planned for this property, although same has been maintained in good standing.

During the year, your Company allowed its 18-claim group in Villebon Township, the 40-claim group in Verneuil Township, the 15-claim group in Grevel Township, the 20-claim group in Grasset Township, all in the Province of Quebec, and the 36-claim group in the Coughlan Lake Area, Kowkash Mining Division, Province of Ontario, to expire, due to the lack of satisfactory results.

Your Company continues to retain its 25% interest in 15 mining claims in Daniel Township, Province of Quebec, and these claims have been maintained in good standing.

Throughout the past year your Company examined several properties and is continuing its efforts to obtain, either by staking or through working option agreements, other mining properties of merit.

No work was done on your Company's original gold property in Echo Township, Province of Ontario. However, these claims have also been maintained in good standing.

On behalf of the Board,

ERIC CRADOCK,
President.

Toronto, Ontario,
March 7th, 1966.

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Balance Sheet—

ASSETS

		1964 for Comparison
Current Assets		
Cash	\$ —	\$ 19,508
Marketable securities at cost (quoted market value 1965, \$655,000; 1964 \$509,400	337,926	356,446
	<u>337,926</u>	<u>375,954</u>
Shares in Other Companies		
Unlisted shares at cost	53,670	974
Other shares (including dormant subsidiary company) at nominal values	3	3
	<u>53,673</u>	<u>977</u>
Mining Properties and Claims		
Patented mining claims in Echo Township, Ontario, at nominal value	1	1
Mining claims and interest in mining claims at nominal value	2	11
Interest in mining claims in Dalet Township, Quebec, at cost	—	1,000
	<u>3</u>	<u>1,012</u>
Other Assets		
Interest in buildings and equipment, Echo Township, Ontario, at nominal value	1	1
Interest in mining syndicate, at cost	1,000	500
	<u>1,001</u>	<u>501</u>
Deferred Expenditures		
Exploration expenditures as per statement	36,192	29,710
	<u>\$ 428,795</u>	<u>\$ 408,154</u>

Approved on behalf of the Board:

ERIC CRADOCK, Director.

P. C. FINLAY, Director.

NEWLUND MINES LIMITED

(Incorporated in the Province of Ontario)

September 30, 1965

LIABILITIES

		1964 for Comparison
Current Liabilities		
Bank loan and overdraft (secured by marketable securities)	\$ 29,921	\$ —
Accounts payable	13,102	6,626
Payable for securities purchased (secured)	61,862	85,240
	<u>104,885</u>	<u>91,866</u>
Shareholders' Equity		
Capital stock		
Authorized — 6,000,000 shares of \$1 each		
Issued — 5,483,808 shares	5,483,808	5,483,808
Less discount on shares	2,110,900	2,110,900
	<u>3,372,908</u>	<u>3,372,908</u>
Deduct deficit	3,048,998	3,056,620
	<u>323,910</u>	<u>316,288</u>
	<u>\$ 428,795</u>	<u>\$ 408,154</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Newlund Mines Limited as at September 30, 1965 and the statements of exploration and administrative expenditures and deficit for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstance.

In our opinion the accompanying balance sheet and statements of exploration and administrative expenditures and deficit present fairly the financial position of the company as at September 30, 1965 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
February 11, 1966.

GUNN, ROBERTS and CO.,
Chartered Accountants.

NEWLUND MINES LIMITED

Statement of Exploration and Administrative Expenditures

For the year ended September 30, 1965

Exploration Expenditures

Echo Township, Ontario	\$ 3,211	
Dalet Township, Quebec	2,723	
Daniel Township, Quebec	45	
Lozeau Township, Quebec	20,582	
Onaman River Area, Ontario	100	
Vauquelin Township, Quebec	559	
Vilibon Township, Quebec	695	
Sundry exploration	190	\$ 28,105

Administrative and Corporate Expenses

Management fee	10,000	
Office services	2,400	
Share transfer expenses	1,843	
Legal and audit fees	4,771	
Annual meeting expenses	662	
Directors' fees	150	
Miscellaneous expenses	12	
Interest	9,092	

	28,930	
Deduct dividends received	8,243	20,687

Expenditures (net) for the year		48,792
Balance deferred at October 1, 1964		29,710

78,502

Deduct amounts written off to deficit

Exploration expenditures

Dalet Township, Quebec	7,093	
Echo Township, Ontario	3,211	
Onaman River Area, Ontario	1,657	
Vauquelin Township, Quebec	3,863	
Vilibon Township, Quebec	1,341	
Wilson Lake, Quebec	4,268	
Sundry exploration	190	

	21,623	
Administrative and corporate expenses	20,687	42,310

Balance deferred at September 30, 1965		<u>\$ 36,192</u>
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SUMMARY OF EXPENDITURES DEFERRED

Exploration Expenditures

Daniel Township, Quebec	\$ 45	
Lozeau Township, Quebec	36,147	
	<u>\$ 36,192</u>	

NEWLUND MINES LIMITED

Statement of Deficit

For the year ended September 30, 1965

Balance October 1, 1964			\$3,056,620
Add amounts written off:			
Cost of interest in mining claims	\$ 1,508		
Exploration expenditures	21,623		
Administrative and corporate expenses	20,687	43,818	
			<u>3,100,438</u>
Deduct profit on securities		51,440	
Balance September 30, 1965			<u><u>\$3,048,998</u></u>

NEWFOUNDLAND LINES LIMITED

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W. R. Young